Via E-filing

October 14, 2022

The Honorable Chair and Members of
the Public Utilities Commission of the State of Hawaii
465 South King Street
Kekuanao'a Building, Room 103
Honolulu, Hawaii 96813

RE: Docket No. 2020-0209 – October 2022 Quarterly Report

To the Honorable Public Utilities Commission of the State of Hawaii:

Pursuant to Order No. 38227 issued by the Commission on February 11, 2022, in Docket No. 2020-0209, The Gas Company, LLC, dba Hawaii Gas hereby submits its tenth quarterly report.

Portions of the quarterly report have been designated confidential and redacted pursuant to that certain Protective Order No. 37543 issued by the Commission on January 12, 2021. A Confidentiality Log is also attached to the report.

Please do not hesitate to contact me with any questions regarding this submittal.

Sincerely,

/s/ Jacob Matson

Jacob Matson
Assistant General Counsel, Regulatory & Litigation
The Gas Company, LLC, dba Hawaii Gas

cc: Office of the Consumer Advocate (*via email*)

Overview of the Financial Condition of The Gas Company, LLC, dba Hawaii Gas

Pursuant to Order No. 38227 issued by the Commission on February 11, 2022 in Docket No. 2020-0209, as well as Decision and Order No. 37513 issued by the Commission on December 29, 2020, and Decision and Order No. 37678 issued by the Commission on March 17, 2021, both in Docket No. 2020-0083, the following summary is provided to offer current insight into the financial condition of The Gas Company, LLC, dba Hawaii Gas (the Company), as of September 30, 2022.

The first section of this report is intended to comply with the requirements set forth in Docket No. 2020-0083, in which the Commission approved the Company's request to defer costs and accrue lost contribution margins between March 4, 2020 and June 30, 2021.[1] The second section of this report is intended to comply with the requirements set forth in Docket No. 2020-0209, including the ten "Quarterly Customer Reporting Requirements" set forth in Order No. 38227 referenced above.[2]

The Company would note that the information in the first section of this report regarding the utility's financial condition is current through August 31, 2022, as visitor and other applicable data is not yet available through September 30, 2022. The information in the second section of this report regarding the "Quarterly Customer Reporting Requirements" is current through September 30, 2022.

Trends in the number of visitors to Hawaii and demand for gas were positive for the three months ended August 31, 2022 as compared to last year, but still below the same period in 2019. The number of visitors to Hawaii increased from 2.4 million for the period from June to August 2021 to 2.6 million from June to August 2022, but remains lower than the 2.9 million visitors from June to August 2019. The resulting improvement in hotel occupancy, restaurants patronage, and use of commercial laundry services contributed to an increase in utility gas consumption of 4.6% for the three months ended August 31, 2022 versus the comparable period in 2021, but 7.8% lower than the comparable period in 2019. It is unclear that the circumstances resulting in that increased demand will be sustained. As the timing of a return to tourism to 2019 levels is still unknown, the Company's outlook on overall financial condition continues to be highly dependent on predicting future tourism levels in the context of ever-changing developments related to the pandemic. Based on current circumstances, the below summarizes the Company's assessment of its financial condition.

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[1] In Docket No. 2020-0083, the Commission approved "Hawaii Gas' request to defer costs associated with the COVID-19 pandemic, to the extent not already authorized by Order Nos. 37125, 37153, and 37189, subject to the conditions set forth herein[.]" Decision and Order No. 37253, at 17. The Commission articulated eight categories of information to be set forth in this quarterly report. *See id.* at 20 – 21.

[2] In Order No. 38227, the Commission noted that "[u]tilities which have been filing quarterly reports due to their election to establish regulatory assets may integrate these reports into the Quarterly Customer Reports." *Id.* at 7.

SECTION 1 – INFORMATION REPORTED PURSUANT TO DOCKET NO. 2020-0083

A. Updated Information Regarding the Company's Financial Condition

1. Liquidity

As of August 31, 2022, the Company had approximately $33M in cash and cash equivalents related to combined Utility and Non-Utility operations, as well as $60M of undrawn capacity under a revolving line of credit. In addition, the Company has no long-term debt, while the Company's holding company, HGC Holdings, LLC, maintains an $80M note payable due in February 2024. The Company voluntarily ceased disconnection of service to customers due to non-payment in March 2020 and continued its suspension of late fees and interest charges on past due amounts through May 31, 2021. The Company's allowance for Utility doubtful accounts as of August 31, 2022 is currently 221% above the allowance on December 31, 2019. When possible, the Company endeavors to work with customers to establish payment plan arrangements for reasonable resolution of outstanding balances.

The Company continues to meet its ongoing liquidity needs without drawing down on the revolving line of credit and is currently in compliance with financial covenants as set forth in all applicable loan agreements. While the Company's combined cash position remains stable, further analysis of the free cash flow associated with the Utility business has been performed and indicates this business is susceptible to generating negative cash flow if volumes return to the lower levels experienced during 2020, as there is a significant fixed cost component associated with the production and delivery of gas to the Company's Utility customers.

2. Operating Results

Between June and August 2022, actual billed Utility volumes were approximately 7.5% below the same timeframe in 2019. Between June and August 2022, the Company experienced a drop in Utility contribution margins of approximately [redacted] below the same timeframe in 2019.

The Company had previously identified and implemented all reasonable efforts to reduce discretionary expenses (e.g., overtime, non-critical hiring, etc.). Expenses related to the COVID-19 impact, principally bad debt related expenses as discussed above, and expenses incurred for the safety of the Company's workforce and the community in general, were deferred as of June 2021.

Between June and August 2022, including the full impact of reduction in contribution margin, strict management of discretionary expenses, and increased COVID-19 related expenditures, the Company experienced a decline in pre-tax operating income of approximately 154.3% compared to the same time period in 2019. Between June and August 2022, the Company experienced free cash flow that was approximately [redacted] lower than the same timeframe in 2019.

3. Capital Expenditures

The Company entered 2020 with a detailed plan for various maintenance and growth-related capital projects. As a result of the COVID-19 pandemic, the Company deferred a portion of capital projects to beyond 2020. The Company has since renewed efforts to undertake capital projects at more normal levels. However, COVID-19 continues to have a lasting impact on the cost and time required to complete projects. Broad supply chain impacts are having a measurable effect on the cost of raw materials, shipping cost, lead time and general availability, among others. The Company continues to consider these effects in its planning of capital projects.

B. Measures to Assist Utility Customers During the COVID-19 Pandemic

The Company has endeavored to assist customers in multiple ways during this period of unprecedented financial distress. On March 19, 2020, the Company ceased the discontinuation of service to customers for non-payment or late payment. Effective May 4, 2020, the Company waived penalties and interest on all past-due balances through May 31, 2021. The Company has also offered payment plans to customers who are unable to pay for their current usage and are willing to agree to future payments of past due balances.

Additionally, the Company has been encouraging customers to contact the Low-Income Home Energy Assistance Program (LIHEAP), OneOahu.org (payments from Catholic Charities Hawaii), Kauai 2021 Coronavirus Rental and Utility Assistance Program (payments from Kauai (KGEFCU)), Maui County Emergency Rental Assistance Program (payments from Catholic Charities Hawaii), and other assistance programs and entities to seek relief. The Company would note that the number of customers receiving assistance through LIHEAP's Energy Credit Program actually decreased between 2019 and 2020, despite 2020 resulting in increases in the Company's communications about this type of program, increases in Federal funding, and increases in the number of residential accounts with past due balances. This may be due, at least in part, to the fact that customers may not be inclined to seek Federal funds to assist with utility bills when there is a moratorium on disconnects. Although the moratorium on disconnects ended effective as of June 1, 2021,[3] the Company would encourage the Commission to continue to evaluate these types of second and third order effects, and the long-term impacts on both customers and utilities.

The Company has also engaged in regular telephone contact with customers with past due balances to inform them about the possibility of assistance from the above-referenced aid organizations, facilitate payment plan arrangements, and encourage them to remain in contact with the Company about any issues that may arise. Between January and March 2021, the Company sent reminder letters to customers with past due balances greater than $300 to inform them about the possibility of assistance from the above-referenced aid organizations and encourage them to contact the Company about payment plan arrangements. Between April and June 2020, October 2020 and February 2021, and May through June 2021, the Company included information in customer bills about financial aid organizations and payment plan arrangements. Throughout April 2021, the Company provided notice to all utility customers regarding the lifting of the disconnection suspension on June 1, 2021. On April 26, 2021, the Company mailed targeted letters to 1,573 utility customers that would potentially be at risk of disconnection if the suspension were lifted on June 1, 2021.[4] Additionally, the Company's website includes regularly updated information regarding recent Commission orders, financial aid organizations, and messages encouraging customers to contact the Company if issues arise regarding the payment of gas bills.

[3] *See* Docket No. 2020-0209, Order No. 37667 issued March 10, 2021, at 7 – 10, 11.

[4] *See, e.g.,* Order No. 37667 issued March 10, 2021; Hawaii Gas' Pre-Disconnection Suspension Termination Report filed April 30, 2021.

More recently, and in connection with the Emergency Rental Assistance Program (ERAP), the Company has been coordinating with County governments, aid agencies, and other utilities to develop processes and documentation practices for the disbursement of federal funds toward customer utility bill arrears.[5]

As of the date of this submittal, the Company has continued to provide the above relief measures to all Utility customers except for those measures with specific designated timeframes and end dates.

C. Additional Information Regarding COVID-Related Deferred Costs

Pursuant to Decision and Order No. 37253 issued in Docket No. 2020-0083, the Company submits the additional following information regarding its COVID-related deferred costs. Because the Company has not requested deferral of COVID-related costs past June 30, 2021, the values below reflect deferred costs through that date.[6] The Company reserves the right to request future deferral of COVID-related costs if the necessity arises.

1. Planned Deferred Costs

The Company currently intends to defer the following costs relating to the COVID-19 pandemic:

1. Increases in uncollectible or potentially uncollectible customer receivable balances attributable to the no-disconnect orders.[7] The Company has deferred **$442,500** in potentially uncollectible receivable balances, as set forth in ***Table 1*** below.

    a. This category includes increases in customer receivable balances owed to the Company after the date that the Company would have normally disconnected service for non-payment.
    b. This category also includes receivable balances for customers that the Company was entitled to disconnect per tariff or policy on the date that the first no-disconnect order was issued.
    c. The Company will maintain listings of the aged receivable balances of each individual customer account that it will be submitting for deferral treatment.

2. Foregone late charges on past due balances. The Company has deferred **$176,824** in foregone late charges on past due balances, as set forth below and in ***Confidential Attachment 1, October 2022 Quarterly Report***.

    a. The Company elected to not assess late charges to customers on past due balances.

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[5] *See, e.g.,* Order No. 37689 Instructing Utilities to File Template Customer Authorization and Release Forms, and Directing Utilities to Provide Information Related to Emergency Rental Assistance Program Fund Distribution for Eligible Customers, issued March 22, 2021; The Gas Company, LLC, dba Hawaii Gas' Submittal of Template Authorization & Release for Information Sharing & Use, filed March 29, 2021.

[6] *See* Decision and Order No. 37678 issued March 17, 2021 (approving the Company's request to extend its deferral of COVID-related costs and accrual of lost contribution margins through June 30, 2021).

[7] These include the following non-docketed orders: Order No. 37125, issued on May 4, 2020; Order No. 37153, issued on May 28, 2020; Order No. 37189, issued on June 26, 2020; Order No. 37251, issued on July 31, 2020; and Order No. 37284, issued on August 24, 2020.

b. The Company will keep records of late charges that would have been assessed absent the COVID-19 pandemic.

3. Other deferred costs. The Company has deferred **$44,947** in other costs, as set forth in *Table 2* below.

   a. This category includes costs incurred to promote a safe work environment, including costs relating to procurement of N95 masks, cloth masks, and hand sanitizer.
   b. This category also includes professional fees related to COVID-19, including fees for outside counsel to review proposed Company return to work guidelines and fees to public relations firms for expertise with customer communications.
   c. This category also includes costs relating to IT support and other supplies/equipment necessary to transition a segment of the workforce to work from home, including procurement of PC cameras for laptops, mouse, printer ink and headsets for employees who work from home and office on alternating schedules.
   d. The Company will maintain copies of invoices and payment documentation as evidence for this category of deferral treatment.

2. Calculation Method Utilized

a. Uncollectible Receivable Balances

The Company has deferred **$442,500** in COVID-related uncollectible receivables. As indicated in previous quarterly reports, the Company has updated its deferred amount records as customers made payments on their delinquent accounts.

Between March 27, 2020,[8] and June 30, 2021, the Company experienced an increase of $442,500 (or approximately 1,625%) in the balances of accounts that are aged more than 60 days (more than 60 days after the bill date) and have individual balances of $50 or more. The Company also experienced an increase in the number of accounts—728 (or approximately 264%)—matching the above criteria for the same time period. These accounts and balances represent the primary group of customers that would typically be disconnected due to nonpayment.

Using accounts receivable aging data for Utility customers from March 27, 2020, and June 30, 2021, deposits are subtracted from balances owed and customers with net minimum balances of $50 and are at minimum 31 days past due (i.e., 61+ days after bill date) are filtered. The total amounts past due and number of accounts are set forth in *Table 1* below. This is similar to the criteria the Company would typically use to generate its disconnect list.

[8] The Company voluntarily suspended disconnections due to nonpayment on March 19, 2020, and the nearest reporting date that reflects that initial suspension is March 27, 2020.

A/R Balances as of:	60 Days	90 Days	120 Days	Past Due 60+ Days	Aged Balance Due Less Deposit Paid	Number of Accounts
3/27/20	$22,513	$11,007	$13,706	$47,227	$27,229	276
6/30/21	$128,953	$78,925	$329,513	$537,391	$469,729	1,004
Change	$106,440	$67,918	$315,807	$490,164	**$442,500**	728

Table 1 - Increased Uncollectible Accounts Receivable

Besides the amounts past due, the Company has experienced actual write-offs of uncollectible accounts during the year where customers left the system without paying. The Company is maintaining notes as to why these customers closed their accounts to determine whether: (a) the reasons for closing were COVID-related; and (b) how much, if any, of the amount written off occurred after the Company suspended its disconnections for nonpayment. The calculation for this portion of the cost deferral is still in progress.

b. Foregone Late Charges

The Company has deferred **$176,824** in foregone late charges.

Between May 4, 2020, and June 30, 2021, the Company declined to assess $176,824 in late charges. The Company calculated the late charge amounts by running the late charge routine in its CIS system, then entering a corresponding offsetting credit amount on customers' bills that effectively nets the late charge to zero.

A list of customer late charge amounts by customer class, as queried from the Company's CIS system, is provided in ***Confidential Attachment 1, October 2022 Quarterly Report***.

c. Other Deferred Costs

The Company has deferred **$44,947** in other COVID-related costs incurred through June 30, 2021, including those arising from supplies, professional fees, and the work-from-home transition.

These costs are set forth in ***Table 2*** below, and were accumulated for deferral on a purchase transaction basis. The Company has established a project number in its accounting system to track these costs.

Cost Description	Cost
Supplies	$33,293
Professional Fees	$11,606
Other	$48
Total	**$44,947**

Table 2 - Other Deferred Costs

3. Bad Debt Expense by Customer Class

Between March 2020 and June 2021, bad debt expense by customer class is set forth in ***Table 3*** below.

Bill Class Code	March 2020	June 2021	Balance Change
10 – General Service	$0	$5,954	$5,954
20 – Residential	$25,275	$354,208	$328,933
30 – Multi-Family	$0	$667	$667
50 – Comm/Ind	$1,954	$108,594	$106,640
60 – Large Firm	$0	$306	$306
Total	$27,229	$469,729	**$442,500**

Table 3 - Increased Bad Debt Expense by Customer Class

4. Examples of Deferred Costs that HG Recorded as Regulatory Assets

Please see **Section C** for descriptions and examples of deferred costs and savings that the Company has recorded as regulatory assets and liabilities, respectively.

5. Other COVID-Related Costs Not Identified in the Company's Application[9]

The Company has incurred Labor costs relating to the suspension of and tracking of suspended interest payments (late fees), which includes time spent by ISD and others to test the creation of a new code to track data, time for the Collections department to manually apply credits to offset system-calculated late charges to approximately 35,000 accounts billed monthly, and time for Customer Representatives or Supervisors to verify the accuracy of those accounts.

As of June 30, 2021, the Company incurred estimated Labor costs of **$17,632**, as set forth in ***Table 4*** below. Time entries are supported by timesheet records maintained by the Company, while the labor dollar cost is calculated using actual employee pay rates with benefits and payroll tax adders at rates approved in the Company's last rate case.

Item	Adder Rates	Cost
BU Labor		$1,710
Benefits	[redacted]	[redacted]
PR Tax	8.0%	$136
Total		[redacted]
Item	Adder Rates	Cost
NBU Labor		$12,448
Benefits	[redacted]	[redacted]
PR Tax	8.0%	$996
Total		[redacted]
Grand Total		**$17,632**

Table 4 - Labor Cost for Suspension of and Tracking Suspended Interest Payments

To the extent the Company incurs any other COVID-related costs not previously identified, it will track those costs and apprise the Commission in subsequent quarterly reports.

[9] This refers to the Company's Application filed on May 22, 2020 in Docket No. 2020-0083, for approval to defer costs associated with the COVID-19 pandemic emergency.

6. Funds Received from Loans, Grants, Assistance, or Benefits in Connection with the COVID-19 Pandemic

The Company has not received any funds from loans, grants, assistance, or benefits in connection with the COVID-19 pandemic. As discussed in **Section B**, the Company understands that ERAP may result in federal funds being disbursed toward customer utility bill arrears.

The Company deferred payment of its employer's share of 2020 social security taxes, amounting to $1,195,000, under the CARES Act in which half was paid in December 2021 and the remaining portion to be paid in December 2022.

7. Cost Savings Realized in Connection with COVID-19

The Company has experienced reductions in travel, overtime, and conference fee expenses as a result of the COVID-19 pandemic. As of June 30, 2021, estimated expense savings totaled **$1,088,929**, as set forth in ***Table 5*** below. The savings amounts are derived from comparing the actual costs charged to the accounts for the above cost items to the amounts awarded in the Company's Test Year 2018 rate case.

Expense Item	Rate Case TY 2018 Amount	No. of Months	Rate Case TY 2018 Amount Prorated	YTD Actual 1/1/20 – 6/30/21	Increase/ (Decrease)
Travel	$301,994	18	$452,991	$105,865	($347,126)
Overtime	$909,187	18	$1,363,781	$633,330	($730,451)
Conference Fees	$11,836	18	$17,754	$6,402	($11,352)
Total	$1,223,017		$1,834,526	$745,597	**($1,088,929)**

Table 5 - COVID-Related Savings

As of June 30, 2021, the prohibition on disconnecting for nonpayment also reduced the Company's disconnect expense by **$12,405**, as set forth in ***Table 6*** below.

Item	No. of Accounts	Hourly Rate	Minutes Each	Cost Per Account	Total Cost
Grade 6 Labor	728	[redacted]	20.00	[redacted]	$8,714
Benefits	728	[redacted]		[redacted]	$2,992
PR Tax	728	8.0%		$0.96	$699
Total				$17.04	**$12,405**

Table 6 - Disconnect Expense Savings

Labor cost saved on the suspended disconnect activities above totaled $8,714 and was estimated using an average of 5 minutes to shut off the gas valve and 15 minutes travel time. The labor dollar cost is calculated using current Grade 6 employee pay rates with benefits and payroll tax adders at rates approved in the Company's last rate case.

8. Percentage Depiction of COVID-Related Costs in Relation to Overall Costs

Please see ***Attachment 2, October 2022 Quarterly Report***, for a calculation of the Company's COVID-related costs in comparison to the Company's total utility operating and maintenance expenses, excluding fuel cost, through June 30, 2021.

D. Additional Information Regarding Lost Contribution Margins

Pursuant to Decision and Order No. 37513 issued in Docket No. 2020-0083, the Company submits the following information regarding its COVID-related lost contribution margins (LCM). Similar to its deferral of COVID-related costs discussed in **Section C**, the Company has not requested accrual of LCM past June 30, 2021, and as such, the values below reflect LCM accrued through that date.[10] The Company reserves the right to request future accrual of LCM if the necessity arises.

1. LCM for Each Month and Increased Bad Debt Expense by Customer Class (as applicable)

Please see **Section C(3)** above for the increased bad debt expense by customer class. Please see ***Table 7*** below for the monthly LCM between March and December 2020, which totals approximately $7.4 million, and ***Table 8*** below for the monthly LCM between January and June 2021, which totals approximately $3.6 million.

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019 CM	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2020 CM	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
LCM	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Table 7 – LCM Between March and December 2020

	Jan	Feb	Mar	Apr	May	Jun
2019 CM	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2021 CM	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
LCM	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Table 8 – LCM Between January and June 2021

2. Calculation Methodology for LCM and Deferral of Bad Debt Expense for Each Month that there is a Deferral

Please see **Section C(2)** above for the calculation methodology for bad debt expense. As indicated in ***Tables 7*** and ***8*** above, LCM represent the monthly difference between the Company's consolidated Utility contribution margin (CM) in 2019 and 2020, and 2019 and 2021. Monthly contribution margins are derived by deducting fuel costs and revenue taxes from revenues.

[10] *See* Decision and Order No. 37678 issued March 17, 2021 (approving the Company's request to extend its deferral of COVID-related costs and accrual of lost contribution margins through June 30, 2021).

3. Funds Received from Loans, Grants, Assistance, or Benefits in Connection with the COVID-19 Pandemic

As stated in **Section C(6)** above, the Company has not received any funds from loans, grants, assistance, or benefits in connection with the COVID-19 pandemic, with the caveat that ERAP may result in federal funds being disbursed toward customer utility bill arrears.

The Company deferred payment of its employer's share of 2020 social security taxes, amounting to $1,195,000, under the CARES Act in which half was paid in December 2021 and the remaining portion to be paid in December 2022.

4. Cost Savings Realized in Connection with COVID-19

Please see **Section C(7)** above for cost savings realized in connection with COVID-19.

5. Percentage Depiction of COVID-Related Costs in Relation to Overall Costs

Please see **Section C(8)** above and ***Attachment 2, October 2022 Quarterly Report*** for a calculation of the Company's COVID-related costs in comparison to the Company's total utility operating and maintenance expenses, including fuel cost, through June 30, 2021.

E. SUMMARY

Although the adverse impact of the COVID-19 pandemic appears to be improving, the Company's June through August 2022 utility sales volumes and financial results were still below pre-COVID 19 levels. The Company continues to take prudent actions to secure the financial stability of the organization while avoiding measures that could cause long-term detriment to the health and future of the organization. In an effort to forecast future results, the Company leverages local, national, and global information, which includes varying views on the nature and timing of the recovery from the COVID-19 pandemic. The Company combines this data with information from customers, local government, and community contacts to formulate an outlook of financial performance for future periods. As with any forward-looking projections there is the potential that unforeseen developments may cause actual performance and financial results in future periods to differ.

SECTION 2 – INFORMATION REPORTED PURSUANT TO DOCKET NO. 2020-0209 (Quarterly Customer Reporting Requirements)

Data Point	Data			
1. Applicable Period for this report	July 1, 2022 – September 30, 2022			
2. Total Number of Utility Customers, by applicable customer classes	Bill Class Code		Total Number of Utility Customers	
	Schedule No. 10 (General Service)		806	
	Schedule No. 20 (Residential)		31,966	
	Schedule No. 30 (Multi-Family)		495	
	Schedule No. 50 (Commercial/Industrial)		2,411	
	Schedule No. 55 (Large Industrial)		1	
	Schedule No. 60 (Large Firm)		92	
	Schedule No. 65 (Alt Energy)		0	
	Schedule No. 70 (Stand-By Power)		22	
	Schedule No. 80 (Stand-By Supplemental)		16	
	Schedule No. 91 (Interruptible Service)		16	
	Schedule No. 92 (Interruptible Service)		4	
3. Total number of customers that are eligible for disconnection due to nonpayment of bills, but have not been disconnected due to enrollment in a payment plan arrangement	17			
4. Total number of customers disconnected due to nonpayment of bills during this period	157			
5. Total number of customers disconnected due to nonpayment of bills during the same time period in 2017, 2018, and 2019, if available	2017 – 181 2018 – 138 2019 – 184			
6. Number of customers in arrears by vintage (31 – 60 days, 61 – 90 days, 91 – 120 days, 121+ days) by applicable customer class	31-60 days	61-90 days	91-120 days	121+ days
Bill Class Code				

Schedule No. 10 (General Service)	43	20	4	4
Schedule No. 20 (Residential)	3,905	2,018	1,205	1,051
Schedule No. 30 (Multi-Family)	25	10	3	3
Schedule No. 50 (Commercial/Industrial)	148	66	29	30
Schedule No. 55 (Large Industrial)				-
Schedule No. 60 (Large Firm)	11	4	2	2
Schedule No. 65 (Alt Energy)				
Schedule No. 70 (Stand-By Power)	3			
Schedule No. 80 (Stand-By Supplemental)	1	1		
Schedule No. 91 (Interruptible– Oil)	1			
Schedule No. 92 (Interruptible– Propane)				
7. Number of unique customer accounts that have arrearages at least 31 days past due[11]	4137			
8. Total dollar value of unpaid balances by vintage (31 – 60 days, 61 – 90 days, 91 – 120 days, 121+ days), by applicable customer classes	**31-60 days**	**61-90 days**	**91-120 days**	**121+ days**
Bill Class Code				
Schedule No. 10 (General Service)	6,888	3,011	1,554	347
Schedule No. 20 (Residential)	264,560	135,396	87,170	310,466
Schedule No. 30 (Multi-Family)	59,813	7,319	4,752	13,154
Schedule No. 50 (Commercial/Industrial)	265,910	90,989	36,181	149,833
Schedule No. 55 (Large Industrial)				
Schedule No. 60 (Large Firm)	229,865	114,583	103,939	715,317
Schedule No. 65 (Alt Energy)				
Schedule No. 70 (Stand-By Power)	448			
Schedule No. 80 (Stand-By Supplemental)	1,887	22		
Schedule No. 91 (Interruptible– Oil)	12,988			
Schedule No. 92 (Interruptible– Propane)				

[11] The Company considers a “unique customer account” as one tied to a specific premises.

9. **Description of available payment plan arrangements for customers with past due balances**	Hawaii Gas considers a payment plan arrangement as one where a customer requests to (1) delay payment of an outstanding balance (a payment extension), or (2) pay a past due balance over multiple future payments, while also paying for current usage (a term arrangement). Hawaii Gas has facilitated these types of payment plan arrangements for all customer classes for the duration of the COVID-19 pandemic, and intends to continue this practice through the end of 2022. Hawaii Gas is mindful of the challenging circumstances presented by the pandemic, and endeavors to tailor payment plan arrangements to each customer's specific situation and needs. Hawaii Gas also continues to encourage customers to apply for financial assistance if they anticipate difficulty in making payments. Regarding payment extensions, Hawaii Gas will allow a customer to delay a payment beyond its due date, provided the payment is made before the subsequent due date. Customers will be responsible for any late fees, and a customer will not be at risk of disconnection for the past due payment if they successfully complete the payment before the subsequent due date. Regarding term arrangements, Hawaii Gas allows customers to pay a past due balance over multiple future payments (while also paying for current usage), subject to the following considerations: • Term arrangement payments may be made monthly or more frequently. A customer with a history of broken payment plan arrangements may be asked to make payments on a more frequent interval (i.e., weekly versus monthly payments). • Term length may vary based on customer need, and can range from one month to two years, pending appropriate Hawaii Gas approval. • Customers under term arrangements will not be at risk of disconnection or pay applicable late fees if they continue to make payments in accordance with the arrangement.

10. Number of payment plan agreements Utility entered into with its customers: **a. Since the Utility's last report that was filed with the Commission, and the average repayment term of those agreements;** **b. Total number of successfully completed payment plan agreements since the Utility's last report was filed with the Commission**	a. Hawaii Gas provided for 545 payment extensions and 17 term arrangements with customers between July 1, 2022 and September 30, 2022. The average repayment term of the term arrangements during this timeframe was 74 days. b. Six term arrangements were successfully completed by customers between July 1, 2022 and September 30, 2022.[12]

[12] The Company does not track "successfully completed" payment extensions provided to customers.

<u>Confidential Attachment 1, October 2022 Quarterly Report</u>

CONFIDENTIAL ATTACHMENT 1, OCTOBER 2022 QUARTERLY REPORT, WILL BE SUBMITTED TO THE COMMISSION AND DIVISION OF CONSUMER ADVOCACY PURSUANT TO PROTECTIVE ORDER NO. 37543

Attachment 2, October 2022 Quarterly Report

Percentage Depiction of COVID-Related Costs in Relation to Overall Costs - January 1, 2020 to June 30, 2021

Expense Item	Total O&M Expense Page 1	Less Fuel Cost Page 9	Net O&M Excluding Fuel Cost	Percentage of Net O&M Expense
Total O&M expenses, January 1, 2020 to June 30, 2021*				
Oahu Utility District	$ 104,085,420	$ 58,466,525	$ 45,618,895	
Hawaii Utility District	$ 7,908,153	$ 6,370,763	$ 1,537,390	
Maui Utility District	$ 2,255,853	$ 1,847,355	$ 408,498	
Kauai Utility District	$ 930,952	$ 648,815	$ 282,137	
Molokai Utility District	$ 64,083	$ 34,727	$ 29,356	
Lanai Utility District	$ 31,616	$ 14,540	$ 17,076	
All districts total	$ 115,276,077	$ 67,382,725	$ 47,893,352	
* from PUC Monthly Reports, January 2020 to June 2021, Pages 1 & 9				
Disconnect suspension expenses:				
Aged receivable balance increase			$ 442,500	0.92%
Reduced disconnect expense			$ (12,405)	0.03%
Reduced late charge revenue (revised in October 2021)			$ 176,824	0.37%
Total costs related to disconnect orders			$ 606,919	1.27%
COVID-19 deferred application expense amounts:				
Supplies			$ 33,293	0.07%
Professional fees			$ 11,606	0.02%
Work from home transition			$ 48	0.00%
Total costs related to deferral application*			$ 44,947	0.09%
*excluding lost contribution margin				
COVID-19 related costs not identified in the Company's application:				
Labor to apply credits to customer bills to offset finance charges			$ 17,632	0.04%
Expense savings:				
Reduced travel			$ (347,126)	0.72%
Reduced overtime			$ (730,451)	1.53%
Reduced conference fees			$ (11,352)	0.02%
Total savings			$ (1,088,929)	2.27%

Docket No. 2020-0209 - Hawaii Gas October 2022 Quarterly Report
Pursuant to Order No. 37667 issued March 10, 2021, and Protective Order No. 37543 issued January 12, 2021
CONFIDENTIALITY LOG

Document Name/Reference	Page Number; Line Number(s) or Section Redacted	Designation	Identification	Basis of Confidentiality	Cognizable Harm
Hawaii Gas October 2022 Quarterly Report					
Quarterly Report Narrative	Page 2; two (2) numerical values redacted	Confidential	Confidential Financial Information, including utility and non-utility data	Commercially Sensitive Information; Competitive Harm	Public disclosure of confidential financial information and HG's assessment of the same may provide competitors with confidential information that could be used without expending their own resources to obtain it to the competitive disadvantage of HG.
Quarterly Report Narrative	Page 7; six (6) numerical values redacted	Confidential	Employee Benefit Information	Commercially Sensitive Information; Competitive Harm	Public disclosure of compensation and benefit information may disadvantage HG in future employment negotiations and provide competitors with an unearned advantage that may impair HG's ability to retain current employees.
Quarterly Report Narrative	Page 8; four (4) numerical values	Confidential	Employee Benefit Information	Commercially Sensitive Information; Competitive Harm	Public disclosure of compensation and benefit information may disadvantage HG in future employment negotiations and provide competitors with an unearned advantage that may impair HG's ability to retain current employees.
Quarterly Report Narrative	Page 9 - Tables 7 and 8 redacted	Confidential	Confidential Financial Information	Commercially Sensitive Information; Competitive Harm	Public disclosure of confidential financial information and HG's assessment of the same may provide competitors with confidential information that could be used without expending their own resources to obtain it to the competitive disadvantage of HG.
Confidential Attachment 1, October 2022 Quarterly Report	Entire attachment	Confidential	Individual Customer Data	Commercially Sensitive Information; Competitive Harm	Public disclosure of specific customer information may provide competitors with sensitive information that they did not have to develop independently to the disadvantage of HG. Additionally, there are consumer privacy concerns regarding the public disclosure of customer data.